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Cayman Islands

Working paper prepared by the Secretariat

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Note: The information contained in the present working paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 21 January 2012. Further details are contained in previous working papers, available from www.un.org/en/decolonization/workingpapers.shtml.

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The Territory at a glance

Territory: The Cayman Islands is a Non-Self-Governing Territory under the Charter administered by the United Kingdom of Great Britain and Northern Ireland

Representative of administrative Power: Governor Duncan Taylor (January 2010)

Geography: Located some 290 km west of Jamaica and about the same distance south of Cuba, the Territory comprises three islands: Grand Cayman, Cayman Brac and the adjacent Little Cayman

Land area: 264 km^2

Exclusive economic zone:[a] 119,137 km^2

Population: 55,500 (2011 estimate)

Ethnic composition: Afro-European (40 per cent), African (20 per cent), European (20 per cent), other (20 per cent)

Languages: English

Capital: George Town

Head of the territorial Government: Juliana O'Connor Connolly (December 2012)

Main political parties: United Democratic Party and People's Progressive Movement

Elections: The most recent elections were held in May 2009; the next elections are due in May 2013

Legislature: 18-member Legislative Assembly (15 elected and 3 ex officio members)

Gross domestic product per capita: $57,048 (2010)

Economy: Offshore financial services and tourism

Main trading partners: United States of America

Unemployment rate: 6.3 per cent (2011 estimate)

Monetary unit: Cayman dollar, pegged to the United States dollar at CI$ 0.83

Brief history: The Territory was reportedly sighted by Christopher Columbus in the late fifteenth century. The first recorded British settlements were established between 1661 and 1671. The first land grant by the British Governor of Jamaica, in 1734, aimed at developing an existing settlement and included the use of slaves. A tradition of self-government gradually grew in the Territory and a legislative assembly was established in 1831. Slavery was abolished in 1834. In 1863, an act

of the Parliament of the United Kingdom made the Cayman Islands a dependency of Jamaica. When Jamaica achieved independence in 1962, the Islands remained under the British Crown.

[a] Exclusive economic zone data from the "Sea Around Us" project, a collaboration between the University of British Columbia and the Pew Environment Group (www.seaaroundus.org).

I. Constitutional, legal and political issues

1. Under the 2009 Constitution, the Governor, appointed for four years by the British Crown, is responsible for external affairs, defence, internal security and the civil service.

2. The Territory's Cabinet is headed by a Premier. The Governor appoints as Premier the member of the Territory's 15-member Legislative Assembly who is recommended by the party with the majority of seats. The Cabinet, chaired by the Governor, consists of five ministers elected by and from within the elected membership of the Legislative Assembly, and two appointed civil servants. As mandated in the 2009 Constitution, in November 2012 the Legislative Assembly approved an order, to be signed by the Governor, that increased the number of elected members from 15 to 18. According to the administering Power, those changes will come into force following the legislative elections in May 2013.

3. During the general elections held in 2009, the United Democratic Party (UDP) won over the incumbent People's Progressive Movement (PPM), winning 9 of the then 15 seats in the Legislative Assembly. PPM won five seats, and an independent candidate secured one seat. As a result, McKeeva Bush, the leader of UDP, replaced Kurt Tibbetts as the Leader of Government Business (now known as the Premier). On 11 December 2012, Mr. Bush was arrested in connection with police investigations carried out under the Cayman Islands Anti-Corruption Law. According to the administering Power, efforts by his party to persuade him to step aside pending the completion of the investigations were unsuccessful. The Opposition brought a vote of no confidence to the Legislative Assembly on 18 December, which passed by a majority of 11 to 3, including five members of the Assembly from the ruling UDP. Following the required consultation under the Cayman Islands Constitution Order 2009, the Governor revoked Mr. Bush's appointment as Premier and appointed Ms. Juliana O'Connor Connolly on 19 December. A new ministerial team was also sworn in. Heading a minority government, Ms. O'Connor Connolly is expected to act as Premier until the elections to be held in May 2013.

4. The judiciary consists of a Summary Court (including the Youth Court), a Grand Court and a Court of Appeal. The Summary Court has civil and criminal jurisdiction. Appeals from the Summary Court lie to the Grand Court, which is a superior court of record and administers the common law, the law of equity of England and locally enacted and applied laws. Appeals from the Grand Court lie to the Court of Appeal, composed of a president and not less than two judges. Further appeal lies, in certain circumstances, to the Judicial Committee of the Privy Council in London.

5. As previously reported, in 2011, the Cayman Islands Review Committee, issued a report entitled "United Kingdom and Cayman Islands Relationship Review". Among the central issues raised during the consultative exercise was a desire to enhance the relationship between the Cayman Islands and the United Kingdom in new and mutually beneficial ways with a view to achieving more local autonomy, while at the same time establishing a relationship that effectively built in the necessary controls and allowed for sustained support from the United Kingdom, for instance when the Territory came under pressure from the international financial community.

II. Budget

6. According to the United Kingdom, the Territory's 2012/13 budget document forecasts total operating revenues of CI$ 649.4 million and total operating expenses of CI$ 567.2 million. Unaudited financial results indicated that during the financial year ending on 30 June 2012, the territorial Government registered a net deficit of CI$ 10.3 million, compared with CI$ 23.4 million for the previous financial year.

7. As previously reported, in 2011, the United Kingdom and the Cayman Islands signed a framework for fiscal responsibility that commits the Territory to prudent and transparent fiscal management through effective medium-term planning, putting value-for-money considerations at the heart of the territorial Government's decision-making and delivering improved accountability in all public sector operations. Following negotiations between the territorial government and the United Kingdom, the framework came into domestic law on 15 November 2012.

8. The Cayman Islands is a jurisdiction with no direct individual or corporate income tax. The principal sources of Government revenue are import duties, financial services, fees and stamp duties. In early 2013, a consensus across the political spectrum emerged regarding the need to reduce fees to ease the economic burden placed on both the business community and the consumer through a reduction in the size of government and its services.

III. Economic conditions

A. General

9. The Cayman Islands has one of the highest standards of living in the Caribbean. The economy is based on the provision of financial services, the dominant sector in the economy, and tourism. There are no commercial fisheries. The Economist Intelligence Unit estimated the Territory's gross domestic product (GDP) for 2012 to be approximately $3.3 billion. According to the Cayman Islands semi-annual economic report, in the first half of 2012 the Territory's economy grew by 1.2 per cent, and imports rose by 1.2 per cent, indicating a mild economic recovery. In late 2012, the Territory faced a number of economic challenges, including slow growth, a stagnant offshore sector and relatively high unemployment.

10. According the administering Power, with the passage of the Special Economic Zone Law in 2011, Cayman Enterprise City became the Territory's first special economic zone. The zone is creating economic diversification, inward investment and job opportunities. In addition, Health City Cayman Islands, scheduled to accept its first patients in 2014, is expected to introduce medical tourism to the Islands, offering tertiary health care and educational opportunities, as well as employment options in diverse fields. In 2012, plans were submitted to the Government for a 132-acre, master-planned community to surround Health City Cayman Islands.

B. Financial services

11. The financial services sector accounts for approximately 42 per cent of the national GDP. Information in Oxford Analytica of July 2012 indicates that over 40 of the top 50 banks from 45 countries hold licences in the Territory. The financial services sector grew in 2011 and 2012, but activity remains somewhat below its 2008 level.

12. According to the Territory's 2012 semi-annual economic report, mutual funds rose by 15.5 per cent when compared to mid-year 2011. The increase is associated with the inclusion of master funds, in accordance with the Mutual Funds (Amendment) Law 2011. Total stock listings with the Cayman Islands Stock Exchange increased by 5.1 per cent by mid-year 2012, largely because of marked growth in primary equity and Eurobond listings. During the first half of 2012, new company registrations declined by 1 per cent compared to the previous year while the number of bank and trust companies licences decreased by 6 per cent.

13. Foreign corporations pay licence fees to operate in the Cayman Islands.

C. Tourism

14. According to the 2012 budget address, one of the key drivers for GDP growth in 2011 was increased demand for stay-over tourism services. Cayman Airways, along with other airlines, has opened new services from five cities over the past three years. International air services link the Territory to Canada, Cuba, Honduras, Jamaica, the United States of America and a number of countries in Europe. Domestic airline services and charters operate between the three islands.

15. According to the Cayman Islands annual economic report for 2011, overall tourist arrivals declined by 5.2 per cent. This overall figure was comprised of a 12.3 per cent reduction in cruise visitor arrivals, overshadowing the 7.2 per cent expansion in stay-over arrivals. A total of 1.7 million arrivals were reported, with some 309,000 tourists arriving by air in 2011.

16. In 2012, redevelopment projects began at the Charles Kirkconnell (formerly Gerard Smith) International Airport. Other initiatives included a proposal to establish a hospitality institute.

D. Agriculture

17. In 2012, the primary strategic goal of the Territory's Department of Agriculture continued to be the enhancement of national food security through increased domestic production within targeted segments of the agricultural sector where comparative advantages exist for local producers. Through the provision of agronomic and technical advice, these efforts resulted in the modest expansion of the protected agricultural area to an estimated 2.6 acres.

18. According to government information, the sector contribution to GDP declined by 6.9 per cent from CI$ 8.7 million in 2010 to CI$ 8.1 million in 2011. Despite this decline, domestic demand for local produce and meats remained strong, both among consumers and in the restaurant sector. Farmers increased interaction with the

tourism sector, in terms of the number of restaurants and hotels purchasing locally produced agricultural products.

E. Infrastructure

19. According to territorial government information, construction dramatically declined in the first half of 2012. The value of building permits declined by 11.6 per cent, while their number grew by 5.8 per cent, with project approvals increasing by 11.4 per cent, to 431.

20. The road network of the Cayman Islands comprises approximately 785 km of roadways, the majority of which are located in Grand Cayman. As previously reported, in 2011 the Government reconstructed 3.3 km of urban collector roads, resurfaced 1 km of primary arterial road and undertook major maintenance or rehabilitation on 85 district roads. The port of George Town is the main gateway for cruise ships.

F. Telecommunications and utilities

21. As a leading international business centre, the Cayman Islands is dependent on telecommunications and utility services. Five telephone companies provide fixed and/or mobile voice and data services, and there are 15 FM radio broadcasting stations and one television broadcaster. According to official statistics, as at 30 June 2012 the total number of fixed and mobile telephone lines in service had decreased by 2.8 per cent to approximately 129,500.

22. On Grand Cayman almost all power generation is reliant on imported diesel, where the Caribbean Utilities Company has a non-exclusive licence for electricity and for its transmission and distribution. On Cayman Brac and Little Cayman, the Cayman Brac Power and Light Company has exclusive licences.

23. In 2011, the Caribbean Utilities Company served 22,731 residential and 3,905 commercial customers. According to the Territory's annual economic report, both electricity and water consumption by residential and commercial consumers fell during the first half of 2012, in the midst of rising utility prices.

IV. Social conditions

A. General

24. According to official statistics, nearly 9,000 people received some type of financial assistance from public sector social services agencies by the end of 2011, a clear increase over the nearly 8,000 in 2010. The Territory's August 2012 compendium of statistics indicates that levels of assistance provided in almost every social welfare category by the Department of Children and Family Services increased between 2010 and 2011.

B. Labour and immigration

25. According to the Cayman Islands annual economic report for 2011, the estimated labour force comprised 37,620 persons, including 2,353 unemployed. The labour supply in the financial, construction, retail and office sectors continues to be essentially demand-driven, with some 50 per cent of the demand being met through expatriate workers. Semi-annual data for 2012 indicate that work permits grew by 1.27 per cent settling at 20,158. According to information provided by the administering Power, the foreign worker population hails mostly from Jamaica, the Philippines, the United Kingdom and the United States. The leading occupational groups include: domestic helpers/caregivers; general labourers/cleaners; service and sales industry; professional services; and the craft/trade industry.

26. A major pension reform was undertaken in 2012 to address deficiencies in the legislation, regulation and enforcement of pension regimes in the private sector. A new pensions bill had its first reading in the Legislative Assembly in August 2012, and, in May 2012, the Department of Labour and Pensions was established as a one-stop shop for labour and pensions compliance and enforcement matters. The Department incorporates the enforcement and compliance functions for labour and pensions formerly delivered by the Department of Employment Relations and the National Pensions Office, respectively. A National Workforce Development Agency, established in May 2012, assumed the functions of job placement, training and labour market statistics formerly held by the Department of Employment Relations.

27. According to the administering Power, comprehensive changes to the Territory's immigration law took effect in 2012, including the establishment of two new long-term residency categories for persons of independent means, and a new facility to allow a foreign national to work in the Cayman Islands for short periods of 1 to 5 days. This was introduced in the form of a visitor's work visa.

28. Moreover, in relation to part I of the Constitution Order 2009 (the Bill of Rights, which came into effect in November 2012), training sessions were held to provide immigration officers with a basic awareness and understanding of the Bill of Rights as an element of the Constitution. A broad review of internal policies and best practice/protocols in the field of immigration was also carried out.

C. Education

29. Education is compulsory for all resident children between 4 and 16 years of age. The public education system caters to about two thirds of Caymanian children, with the remainder attending fee-paying schools. Tuition is free for Caymanians at the public primary and high schools. Private schools also provide primary and/or secondary education and are monitored by the territorial Government.

30. Two public and two private institutions provide tertiary education. The University College of the Cayman Islands is owned by the territorial Government and administered independently. The Cayman Islands Law School, affiliated with the University of Liverpool in the United Kingdom, is also Government-owned. The International College of the Cayman Islands and St. Matthew's University are private. Citizens from the Overseas Territories benefit from the home student fee rate at British universities.

31. According to the administering Power, the Territory's Education Stabilization Plan, launched in January 2011, began to deliver results in 2012, with substantial year-on-year improvements in students graduating from government high schools, considerable advancements in early childhood care and education and better interventions for the most vulnerable student groups. The Cayman Islands has also made significant improvements to schools' physical plans, at both secondary and primary levels, with the completion of the Clifton Hunter High School and new classroom blocks at four of the largest government primary schools for the 2012/13 school year.

32. A five-year strategic plan for education was finalized in December 2012, following broad consultation with the general public. It provides a comprehensive road map for future developments under six strategic goals: (a) strengthen leadership and build national capacity; (b) build a world-class early childhood care and education system; (c) secure high standards and improve student progress and achievement; (d) build safer schools communities and promote inclusion; (e) enhance skills for learning, life and work; and (f) engage parents as partners in their children's learning.

D. Public health

33. The Territory's Health Services Authority is responsible for the provision of all public health care. In addition to general medical care, a wide range of specialist services is locally available. Health practice councils are responsible for the registration of all health practitioners. There is one 124-bed government-run hospital, which includes an emergency room, and the private 18-bed Chrissie Tomlinson Memorial Hospital, both in George Town. There is also an 18-bed government-run hospital on Cayman Brac, as well as several district health centres and clinics throughout the Territory. According to the administering Power, the territorial Government spent CI$ 95 million on health care in the 2011/12 financial year.

34. Health insurance is compulsory in the Cayman Islands. The Cayman Islands National Insurance Company provides health insurance for about 13,000 customers, including: civil servants; pensioners; other government entities; seamen, veterans and their dependants; the Company's employees; low-income residents; residents with impaired health status; and the elderly. In 2012, amendments to the health insurance regulations to increase the mandatory minimum level of benefits were approved in the Legislative Assembly, with implementation to start in 2013.

35. The United Kingdom Overseas Territories Joint Ministerial Council communiqué dated 5 December 2012, inter alia, expressed agreement between the Government of the United Kingdom and the representatives of the Territories present, including the Cayman Islands, on the importance of health security and on compliance with the requirements of the International Health Regulations, an international legal instrument binding on 194 countries, including all member States of the World Health Organization, by June 2014. In addition, the participants agreed to identify and make use of all available sources of assistance, in particular from regional and global health organizations such as the Pan American Health Organization and United Nations agencies, to share best practice on health strategies and processes, with special emphasis on treatment and care of non-communicable

diseases, and to improve representation of the Territories and linkages with global and regional health bodies.

E. Crime and public safety

36. The approximately 465-strong Royal Cayman Islands Police Service is headed by a Commissioner, who reports to the Governor. According to the administering Power, between 2008 and 2011, the Cayman Islands has seen a slow increase in number of serious and violent crimes. There have been 28 murders, of which 19 involved the use of firearms. These offences primarily featured the involvement of young persons between the ages of 17 and 35 who were suspected to be connected in some way to gang-type activity.

37. In response to the increased occurrences of serious and violent crime, the Police Service has implemented a three-pronged approach to addressing and mitigating the growing problem. The approach, consisting of intelligence gathering, prevention and early intervention, and enforcement, appears to be having a positive impact on the management of crime. The Police Service continues to maintain a close working relationship with international law enforcement partners, including the Royal Canadian Mounted Police, the United States Bureau of Alcohol, Tobacco, Firearms and Explosives, the United States Drug Enforcement Agency and the Merseyside Police of the city of Liverpool, United Kingdom.

38. For the period of 2011 through 2012, the Territory's Prison Service underwent a restructuring process to reduce costly recidivism rates by improving pre-release services, including positive links to the community. For its part, the Department of Community Rehabilitation utilized certified staff to provide risk/needs assessments in order to reliably inform and guide the work of the Courts and the Parole Board and to assist in the preparation of community-level supervision plans. According to media reports, in 2012 prison inspectors of the United Kingdom Government identified a number of shortcomings inside two jails, Northward and Fairbanks, including decrepit cells, endemic drug use and high levels of victimization, as matters to be addressed by the territorial Government.

39. In November 2012, the Ministry of Community Affairs, Gender and Housing launched a National Committee on Gender and Family Violence to establish a national level entity, consisting of a cross-section of key stakeholders which will be able to: (a) bring a holistic focus to issues such as gender violence, family violence, child abuse, sexual assault, rape, sexual harassment and stalking; and (b) harness expertise and provide recommendations to the Government with regard to the development of policies, procedures, legislation, training, public education and other responses to the aforementioned issues.

40. The Cayman Islands Monetary Authority is the body responsible for monitoring compliance with international financial standards in the Territory and reporting findings to the territorial Government on a regular basis. In accordance with the Territory's Anti-Corruption Law, an Anti-Corruption Commission was established in 2010. As detailed in paragraph 3 above, in December 2012 the former Premier was arrested and interviewed under the Anti-Corruption Law.

F. Human rights

41. The Territory is subject to several major human rights conventions to which the administering Power has acceded, including the European Convention on Human Rights. The Treaties and Conventions Unit within the Attorney General's Chambers oversees the extension of the international human rights instruments to the Cayman Islands and is responsible for the preparation of periodic reports for submission to the relevant bodies that monitor the implementation of the provisions of other human rights instruments, including the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the Convention on the Rights of the Child.

42. In accordance with the provisions of the Cayman Islands Constitution Order 2009, the Territory established the Human Rights Commission, with responsibilities that include receiving and investigating complaints of breaches or infringement of any right or freedom contained in any human rights treaty in force in the Islands. The Commission does not, however, have the authority to represent or provide representation to parties to litigation in which human rights issues may arise, act in a judicial capacity or make binding determinations upon any matter.

43. Part 1 of the 2009 Constitution Order setting out the Bill of Rights, Freedoms and Responsibilities came into effect on 6 November 2012, with the exception of the provisions relating to the segregation of prisoners, which will come into effect in late 2013. According to the administering Power, the rights contained therein, which are based on those in the European Convention for the Protection of Human Rights and Fundamental Freedoms, are justiciable before the local courts. Prospective claimants are no longer confined to seeking redress for human rights violations before the European Court of Human Rights.

44. On 31 January 2012, the Gender Equality Law 2011 took effect and a five-person Gender Equality Tribunal was established to hear and determine discrimination complaints. The law seeks to eliminate discrimination in employment, training and recruitment on the basis of sex, marital status, pregnancy or gender and to promote the payment of equal remuneration to male and female employees who perform work of equal value. The law also aims to protect against discrimination in other areas, such as access to goods, services and facilities, as well as discrimination through job advertisements, application forms and interviews. Issues such as discrimination by professional partnerships, qualifying and vocational training bodies and employment agencies, as well as sexual harassment in the workplace, are also addressed within the legislation.

45. According to the administering Power, the Children's Law of 2003 and the Children's (Amendment) Law of 2009 were implemented in July 2012. The primary aim of the 2003 law is to embody, at a domestic level, certain articles and provisions of the United Nations Convention on the Rights of the Child. The law also provides for the granting of parental responsibility to step-parents and unmarried fathers. The 2009 amendment to the law provides for the mandatory reporting of suspected cases of child abuse or neglect. In 2013, training is expected to be undertaken for all front-line practitioners on the new law.

46. According to *Human Rights and Democracy: The 2011 Foreign & Commonwealth Office Report*, issued in 2012, the protection and promotion of human rights in each territory is primarily the responsibility of the territorial

government while the Government of the United Kingdom is ultimately responsible for ensuring the territories fulfil their obligations arising from international human rights treaties that have been extended to them.

V. Environment and disaster preparedness

47. The Planning Department and the National Scientific Research Council work along with other agencies to ensure that the Territory's natural resources are preserved and protected. Hazard Management Cayman Islands, a government agency, has overall responsibility for the Territory's hazard management programme, including preparedness, response, mitigation and recovery. An annual hurricane exercise is conducted prior to the start of the hurricane season, which runs from 1 June to 30 November.

48. According to the administering Power, recreational and artisanal fishing in the shallow waters around the Islands represent a significant threat to Cayman's marine environment. In 2012, the review of the Territory's marine parks system was completed and an enhanced system of marine parks has been developed which, if approved by the Cabinet, will put between 40 per cent and 50 per cent of the Islands' shelf area under protection in "no take" reserves and once again place the Territory at the forefront of marine conservation initiatives throughout the region and in the world. The Department of Environment is currently engaged in an extensive public consultation exercise aimed at inviting public input on the specifics of the marine parks proposals.

49. For its part, the Department of Agriculture has continued to place increasing emphasis throughout 2012 on the protection of the agricultural sector from the introduction of invasive alien species that could negatively impact crop and livestock production, as well as national flora and fauna and public health. To that end the Department worked and trained with the Caribbean Plant Health Directors Forum and the Caribvet network.

VI. Relations with international organizations and partners

50. The Cayman Islands is an associate member of the Economic Commission for Latin America and the Caribbean and of the United Nations Educational, Scientific and Cultural Organization and a member of the Universal Postal Union. The Cayman Islands also participates in the work of the Caribbean Community as an associate member and is a member of the Caribbean Development Bank and the International Olympic Committee.

51. As a Non-Self-Governing Territory of the United Kingdom, the Territory is associated with but not a part of the European Union. The Cayman Islands is not eligible for territorial allocations either under the ninth or the tenth European Development Fund. However the Territory is eligible for non-programmed aid. A project costing approximately 4.5 million euros, financed from the ninth European Development Fund for a digital early warning system to fill in a gap in the regional radar system, is expected to be completed in 2013.

52. In December 2012, the Overseas Territories Joint Ministerial Council also reached agreement between the Government of the United Kingdom and the

representatives of the Territories present at the meeting, including the Cayman Islands, to work together, inter alia, to develop greater links with the United Nations and its agencies and regional partners, particularly in the Caribbean, and expressed the belief that the Special Political and Decolonization Committee should delist Territories where this was their wish (https://fco-stage.fco.gov.uk/resources/en/pdf/uk-ot-communique.pdf).

VII. Future status of the Territory

A. Position of the territorial Government

53. Information on the position of the territorial Government regarding the future status of the Cayman Islands is contained in paragraph 5 above.

B. Position of the administering Power

54. On 11 October 2012, the representative of the United Kingdom made a statement before the Special Political and Decolonization Committee (Fourth Committee) during the sixty-seventh session of the General Assembly. According to the record of the meeting (A/C.4/67/SR.5), the representative stated, inter alia, that the Government of the United Kingdom maintained its long-standing position on independence for the Territories. Any decision to sever the constitutional link between the United Kingdom and a Territory should be taken on the basis of the clear and constitutionally expressed wish of the people of that Territory. Where independence was an option, and where it was the clear and constitutionally expressed wish of the people to pursue independence, the Government of the United Kingdom would meet its obligations to help the Territory to achieve it.

55. Further, the representative referred to the White Paper that the United Kingdom Government had published in June 2012, confirming its commitment to maintaining the overall relationship between the United Kingdom and the Territories. In the introduction, the Government expressed the belief that the fundamental structure of the constitutional relationships was the right one: powers were devolved to the elected governments of the Territories to the maximum extent possible, consistent with the retention by the Government of the United Kingdom of the powers necessary to discharge its sovereign responsibilities, including to ensure that constitutional arrangements work effectively to promote the best interests of the Territories and of the United Kingdom. The Government recognized that it was important to continue to reflect on the constitutional relationship and that it would ensure that a dialogue on these issues was sustained with all those Territories that wished to engage in it.

56. The representative went on to say that the 2012 White Paper had made it clear that the fundamental responsibility and objective of the Government of the United Kingdom was to ensure the security and good governance of the Territories and their peoples. That responsibility flowed from international law, including the Charter of the United Nations. But being an Overseas Territory of the United Kingdom also entailed responsibilities. The Government of the United Kingdom expected territorial Governments to meet the same high standards as it did in maintaining the rule of law, respect for human rights and integrity in public life, delivering efficient

public services and building strong and successful communities. The Government would take firm and resolute action wherever there was evidence of corruption or maladministration in a Territory. The representative concluded that the relationship between the United Kingdom and its Overseas Territories continued to be a modern one, based on partnership, shared values and the right of each Territory to determine whether it wished to stay linked to the United Kingdom or not. For as long as the Overseas Territories wished to retain the link to the United Kingdom, the Government of the United Kingdom would remain committed to their future development and continued security.

C. Action taken by the General Assembly

57. On 18 December 2012, the General Assembly adopted, without a vote, resolutions 67/132 A and B based on the report of the Special Committee (A/67/23) and the subsequent recommendation by the Fourth Committee. Section V of General Assembly resolution 67/132 B, concerning the Cayman Islands, reads as follows:

> "1. *Welcomes* the desire, reflected in the Cayman Islands Review Committee report of 2011, to enhance the relationship between the Territory and the administering Power in mutually beneficial ways, with a view to creating more local autonomy, and stresses the important work of the Constitutional Commission, including on human rights education;
>
> "2. *Requests* the administering Power to assist the Territory by facilitating its work concerning public awareness outreach efforts, consistent with Article 73 *b* of the Charter of the United Nations, and, in this regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;
>
> "3. *Welcomes* the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean;
>
> "4. *Also welcomes* the efforts made by the territorial Government to implement financial sector management policies, medical and sports tourism initiatives and unemployment alleviation programmes in various economic sectors, including agriculture and the private sector."